

**UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION**

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, VS. ALBERT E. PARISH, JR., PARISH ECONOMICS, LLC, and SUMMERVILLE HARD ASSETS, LLC Defendants.	CIVIL ACTION NO. 2:07-cv-00919-DCN
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NOTICE OF ABANDONMENT OF CERTAIN LIFE INSURANCE POLICIES

S. Gregory Hays, the Court-appointed Receiver for Albert E. Parish (“Parish”), Parish Economics, LLC (“Parish Economics”), and Summerville Hard Assets, LLC (“Summerville Hard Assets”) (collectively the “Receivership Entities” or the “Receiver Estate”), by and through his undersigned counsel of record, files this Notice and shows the Court as follows:

BACKGROUND

1.

In its *Order Granting Preliminary Injunction, Freezing Assets, Appointing a Receiver and Ordering Other Ancillary Relief* entered on April 5, 2007, this Court appointed S. Gregory Hays as Receiver for Parish, Parish Economics, and Summerville Hard Assets. Among other things, this Court authorized and directed the Receiver to take possession, custody and control of assets of the Receiver Estate, manage those assets and sell them in the reasonable exercise of his discretion. This authority, along with all other aspects of the receivership Order, was continued pursuant to the terms of this Court’s *Order Granting Preliminary Injunction, Freezing Assets,*

Appointing Receiver and Ordering Other Ancillary Relief entered on April 12, 2007

(collectively, the April 5 and April 12 Orders are referred to as the “Receivership Orders”). The Receivership Orders also authorize the Receiver “to abandon any asset that, in the exercise of his reasonable business judgment, will not provide benefit or value to the Receiver Estate.”

2.

Among the assets the Receiver has taken into custody and control include various life insurance policies insuring the life of Albert E. Parish, Jr. (the “Life Insurance Policies”).¹ The total face value of the Life Insurance Policies originally in the Receiver Estate was approximately \$65 million. The premiums associated with the Life Insurance Policies totaled approximately \$250,000 per quarter (i.e., \$1 million per year). These policies were itemized in a chart on page two of the Receiver’s Insurance Policy Motion.

3.

Recognizing the significant cost associated with these assets and the fact that there is very little cash value in them, the Receiver promptly moved this Court for authority to sell the Life Insurance Policies; the whole life policies on an auction exchange and the remaining policies through an independent insurance agent. In its *Order Granting the Receiver’s Expedited Motion to Approve Plan for Disposition of Life Insurance Policies* entered on August 30, 2007, (the “Life Insurance Order”), this Court found specifically found that “it is not appropriate [to] pay the life insurance premiums indefinitely,” and authorized the Receiver to sell the Life Insurance

¹ As detailed in the Receiver’s Expedited Motion to Approve the Plan for Disposition of Life Insurance Policies filed August 17, 2007 (the “Insurance Policy Motion”), the express language of the larger Life Insurance Policies indicates that the owner of the was one of two trusts: the Parish Charitable Remainder Trust (the “Charitable Trust”) or the or the Reformed and Consolidated Albert E. Parish, Jr. Special Irrevocable Insurance Trust (the “Reformed and Consolidated Trust”). For a variety of reasons, all but one of the original trustees resigned prior to the appointment of the Receiver. Robert Pearlman, the attorney who formed the trusts, was the only trustee left serving as a trustee of the Charitable Remainder Trust at the time the Receiver filed the Insurance Policy Motion. Subsequently, on December 18, 2008, he resigned. Because the trusts themselves are not included in the Receiver Estate, the Receiver is serving a copy of this Notice on the former trustees.

Policies “or, in the event any policies cannot be sold within a reasonable time, the Receiver is authorized to cease making premium payments, surrender, terminate, or abandon the same without prior approval by this Court.”

4.

In accordance with the provisions of the Receivership Orders and the Life Insurance Order, and after considerable effort on the part of the Receiver and the professionals working with him, the Receiver has sold and/or cashed-out many of the Life Insurance Policies, netting the Receiver Estate approximately \$665,000.00. Despite the Receiver’s diligent efforts, however, 12 of the policies remain unsold.

5.

The Receiver’s investigation, analysis and experience to date in selling the Life Insurance Policies has led him to conclude that the chance of realizing a positive return on the remaining policies is not sufficient to justify continuing to make the premium payments associated with them. The Receiver and the professionals working with him are always mindful of the goal of maximizing the amount of money ultimately available for distribution to investors and other creditors. Given the depressed state of the economy and the lack of interest that has been shown in the remaining policies, the Receiver believes that it is in the best interest of the Receiver Estate to surrender, terminate, and abandon the following policies on or about the time their respective premiums become due:

	Policy Date	Insurance Company	Policy Number	Face Amount	Policy Type
1	6/27/2004	MONY Life Insurance	2ULA002026	\$1,000,000	Universal Life
2	10/1/1999	Transamerica Occidental Life Insurance Co.	65045115	\$7,000,000	Universal Life
3	10/1/1999	Transamerica Occidental Life Insurance Co.	65046017	\$4,000,000	Universal Life
4	2/21/1995	Genworth Life Insurance Co., f/k/a First Colony	2,292,533	\$1,000,000	Gr. Prem. Life

5	5/6/1997	Northwestern Mutual Insurance Co.	14217138	\$3,000,000	20 Yr Level Term
6	11/1/1998	Prudential	B4003685	\$5,000,000	20 Yr. Level Term
7	8/8/1986	State Farm Insurance	LF08407843	\$100,000	Fix Prem/Adj
8	8/22/1992	ING Life Insurance and Annuity Co., f/k/a N.W. National	B2293593	\$250,000	Gr. Prem. Term
9	3/5/2002	MetLife Insurance Co., f/k/a Travelers Life & Annuity	7478444	\$5,000,000	Universal Life
10	3/5/2002	MetLife Insurance Co., f/k/a Travelers Life & Annuity	7478445	\$10,000,000	Universal Life
11	10/1/1999	Transamerica Occidental Life Insurance Co.	41688131	\$4,000,000	15 Yr. Level Term
12	10/21/2003	John Hancock	56 678 360	\$2,500,000	20 Yr. Level Term

Abandoning these Life Insurance Policies will allow the Receiver Estate to avoid incurring additional costs associated with the insurance premiums.

6.

A primary purpose of equity receiverships is to promote the orderly and efficient administration of the estate by the district court for the benefit of the investors and creditors. See SEC v. Wencke (Wencke II), 783 F.2d 829, 837 n.9 (9th Cir. 1986). In light of this purpose, and pursuant to the authority provided in the Receivership Orders and the Life Insurance Order, the Receiver is hereby providing notice of the abandonment of the Life Insurance Policies listed herein and thereby minimizing additional costs incurred by the Receiver Estate.

Respectfully submitted this 13th day of March, 2009.

/s/ David Popowski
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CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of March, 2009, I electronically filed the foregoing document with the Clerk of this Court using the CM/ECF system, which will automatically send email notification of such filing to all case parties via email.

TROUTMAN SANDERS LLP

/s/ Merle R. Arnold _____
Merle R. Arnold III